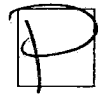


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



SW-02199A
Pima Utility Company (Sewer)
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
----	----	------

FOR COMMISSION USE

ANN05	07
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5-16-08

6-3-08

COMPANY INFORMATION

Company Name (Business Name) <u>Pima Utility Company - Sewer Division</u>			
Mailing Address <u>9532 E Riggs Rd</u>			
<u>Sun Lakes</u> (City)	<u>Az</u> (State)	<u>85248</u> (Zip)	
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>24607 S. Price Rd</u>			
<u>Sun Lakes</u> (City)	<u>Az</u> (State)	<u>85248</u> (Zip)	
<u>(480) 895-5009</u> Local Office Telephone No. (Include Area Code)	<u>(480) 802-9463</u> Fax No. (Include Area Code)	<u>(602) 757-1548</u> Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>James Paulos</u>		<u>General Manager</u>	
(Name)		(Title)	
<u>9532 E Riggs Rd</u>		<u>Sun Lakes</u>	<u>Az</u>
(Street)	(City)	(State)	<u>85248</u> (Zip)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Dave Voorhees</u>			
(Name)			
<u>24607 S. Price Rd</u>		<u>Sun Lakes</u>	<u>Az</u>
(Street)	(City)	(State)	<u>85248</u> (Zip)
<u>(480) 895-5009</u> Telephone No. (Include Area Code)	<u>(480) 802-9463</u> Fax No. (Include Area Code)	<u>(602) 757-1548</u> Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James D. Hubbard
(Name)

9532 E Riggs Rd Sun Lakes Az 85248
(Street) (City) (State) (Zip)

(480) 895-9200
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Marty Aronson
(Name)

One E Camelback Phoenix Az 85012
(Street) (City) (State) (Zip)

(602) 263-2972
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Pima Utility Company - Sewer Division

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	92,008	Ø	92,008
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	5,866,925	2,655,214	3,211,711
362	Special Collecting Structures	611,688	179,145	432,543
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,305,693	858,973	446,720
380	Treatment and Disposal Equip.	10,293,652	3,766,553	6,527,099
381	Plant Sewers			
382	Outfall Sewer Lines	536,196	311,196	225,000
389	Other Plant and Misc. Equipment	344,056	276,736	67,320
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	19,050,218	8,047,817	11,002,401

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Pima Utility Company - Sewer Division

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	92,008	Ø	Ø
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	5,866,925	1.76	103,255
362	Special Collecting Structures	611,688	2.00	12,234
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,305,693	6.42	83,865
380	Treatment and Disposal Equip.	10,293,652	4.69	482,459
381	Plant Sewers			
382	Outfall Sewer Lines	536,196	6.85	36,732
389	Other Plant and Misc. Equipment	344,056	5.73	19,706
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	19,050,218	3.88	738,251

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME Pima Utility Company-Sewer Division

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
132	Special Deposits	1,254,257	1,379,105
135	Temporary Cash Investments		
141	Customer Accounts Receivable	257,921	272,962
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	2028,644	1,970,304
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3,545,822	\$ 3,622,371
	FIXED ASSETS		
101	Utility Plant in Service	\$ 18,968,374	\$ 19,050,218
103	Property Held for Future Use		
105	Construction Work in Progress	11,522	107,780
108	Accumulated Depreciation – Utility Plant	(7,267,183)	(8,047,817)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 11,712,713	\$ 11,110,191
	TOTAL ASSETS	\$ 15,258,535	\$ 14,732,562

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME Pima Utility Company - Sewer Division

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 60,930	\$ 79,077
232	Notes Payable (Current Portion)	385,000	410,000
234	Notes/Accounts Payable to Associated Companies	755,184	198,533
235	Customer Deposits		
236	Accrued Taxes	100,389	83,145
237	Accrued Interest	283,838	269,881
241	Miscellaneous Current and Accrued Liabilities	5,860	7,379
	TOTAL CURRENT LIABILITIES	\$1,591,701	\$1,048,015
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 7,445,000	\$ 7,035,000
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ 343,412	\$ 343,412
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	937,694	937,694
272	Less: Amortization of Contributions	(587,095)	(629,479)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 694,011	\$ 651,627
	TOTAL LIABILITIES	\$ 9,730,712	\$ 8,734,642
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 72,624	\$ 72,624
211	Other Paid in Capital	4,037,614	4,037,614
215	Retained Earnings	1,417,585	1,887,682
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$5,527,823	\$5,997,920
	TOTAL LIABILITIES AND CAPITAL	\$15,258,535	\$14,732,562

COMPANY NAME Pima Utility Company - Sewer Division

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 2,836,901	\$ 2,924,116
522	Measured Revenues	163,576	166,834
536	Other Wastewater Revenues	106,160	12,765
	TOTAL REVENUES	\$ 3,106,637	\$ 3,103,715
	OPERATING EXPENSES		
701	Salaries and Wages	\$ 377,254	\$ 409,105
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	159,999	160,319
716	Fuel for Power Production		
718	Chemicals	64,768	65,673
720	Materials and Supplies	317,589	350,023
731	Contractual Services – Professional	9,330	9,330
735	Contractual Services – Testing	21,504	26,486
736	Contractual Services – Other	50,820	50,820
740	Rents		
750	Transportation Expense		
755	Insurance Expense	94,272	94,272
765	Regulatory Commission Expense		
775	Miscellaneous Expense	38,144	38,144
403	Depreciation Expense	740,478	738,251
408	Taxes Other Than Income		
408.11	Property Taxes	201,778	201,778
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 2,075,936	\$ 2,144,201
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 42,352	\$ 46,621
421	Non-Utility Income	259	26
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE	\$ (606,531)	\$ (606,531)
		(563,920)	(559,884)
	NET INCOME/(LOSS)	\$ 466,801	\$ 399,630

COMPANY NAME Pima Utility Company - Sewer Division

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	01/18/96			
Source of Loan	IOA Bonds			
ACC Decision No.	59134			
Reason for Loan	Construction			
Dollar Amount Issued	\$ 10,300,000	\$	\$	\$
Amount Outstanding	\$ 7,445,000	\$	\$	\$
Date of Maturity	Various			
Interest Rate	7.25 %	%	%	%
Current Year Interest	\$ 553,719	\$	\$	\$
Current Year Principle	\$ 385,000	\$	\$	\$

COMPANY NAME	Pima Utility Company - Sewer Division
Name of System:	Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Sequential batch reactors with aerobic digesters, Sand filtration, ultra-violet disinfection.
DESIGN CAPACITY OF PLANT (Gallons Per Day)	2,400,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
See Attached				

FORCE MAINS

Size	Material	Length (Feet)
4-inch		
6-inch	Included in Collection System	

MANHOLES

Type	Quantity
Standard	1,396
Drop	

CLEANOUTS

Quantity
220

Note: If you are filing for more than one system, please provide separate sheets for each system.

PIMA UTILITY COMPANY

A STATEMENT ATTACHED TO AND MADE PART OF THE ANNUAL SEWER REPORT
TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2007

Location		Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump	Wet Well Capacity	
Maryland	Lift Station #1	2	20	650	14,960	Gallons
Dobson	Lift Station #2	2	15	500	1,878	Gallons
Cochise	Lift Station #3	2	5	375	2,900	Gallons
S. Brentwood	Lift Station #4	2	3.5	250	2,900	Gallons
N. Brentwood	Lift Station #5	2	3.5	250	2,900	Gallons
N. Alma School	Lift Station #6	2	2.5	250	3,229	Gallons
S. Alma School	Lift Station #7	2	3.5	250	3,229	Gallons
Santan	Lift Station #8	2	3.5	250	3,229	Gallons
Sunnydale	Lift Station #9	2	3.5	250	3,229	Gallons
Unit 27	Lift Station #10	2	7.5	500	18,700	Gallons
Unit 31	Lift Station #11	2	10	500	18,700	Gallons
Unit 32	Lift Station #12	2	15	750	134,640	Gallons
Yard	Lift Station #13	2	10	500	2,000	Gallons
McDonalds	Lift Station #14	2	2	200	2,000	Gallons
SanTan Vista	Lift Station #15	2	2	250	2,000	Gallons

COMPANY NAME <u>Pima Utility Company - Sewer Division</u>	
Name of System:	Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	PVC	18,401
6	PVC	19,102
8	PVC	392,322
10	PVC	62,042
12	PVC	31,076
15	PVC	2,541
18		
21		
24		
30		
2	PVC	200

SERVICES

Size (in inches)	Material	Quantity
4	PVC	9,917
6		93
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand & Actracite
STRUCTURES (Buildings, Fences, Etc.)	Left Stations, Operations building, Solids building, MCC screens, Presses, generator, Sludge pumps, Polymer blender, Thickener, Centrifuge, Equipment galler, EQ tanks, SBR filters, UV Disinfection, Effluent pump station
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Laboratory Supplies

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Pima Utility Company - Sewer Division
Name of System:	Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	9,971	38,116,000	1,738,000
February	9,977	35,478,000	1,430,000
March	9,995	39,423,000	1,446,000
April	9,999	35,718,000	1,396,000
May	10,009	31,180,000	1,199,000
June	10,012	28,413,000	1,168,000
July	10,019	27,948,000	1,080,000
August	10,023	28,024,000	1,001,000
September	10,024	28,270,000	1,102,000
October	10,028	31,260,000	1,198,000
November	10,029	34,677,000	1,358,000
December	10,032	36,162,000	1,384,000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE PER WASTEWATER SYSTEM

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Recharge to reuse
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	P100557
ADEQ Reuse Permit Number	R1000557
EPA NPDES Permit Number	N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Pine Utility Company - Sewer Division YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5-8-08
DATE

James Panlos
PRINTED NAME

General Manager
TITLE

COMPANY NAME _____ YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 184,034.65

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

JPMorgan Chase Bank, N.A.
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-2/1221 **313501**

PIMA UTILITY COMPANY-WATER DIVISION

9532 E Riggs Rd
Sun Lake, AZ 85248-7411

Date	Amount
04/13/07	\$***156,134.80

Pay

ONE HUNDRED FIFTY SIX THOUSAND ONE HUNDRED THIRTY FOUR AND 80/100 *****

Dollars

To
The
Order
Of

MARICOPA COUNTY TREASURER
301 W JEFFERSON ST
PHOENIX AZ 85003-2143

[Signature]

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

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ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES

1. Absence of the Knight & Fingerprint Check wording & Fingerprint in the endorsement area above & the U.S. Patent No. 6,460,000
2. Pink heat sensitive ink that will disappear when blowing or rubbing
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FINGERPRINT

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04/19/07

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

01507920

Maricopa Co Treasurer

01507920

Location	Acct #	Original Acct #	Check #	Original Check #	Amount	Original Amount	Issue Date	Paid Date
CD	9194278	9194278	313501	313501	\$156,134.80	\$156,134.80	4/13/2007	4/20/2007
Original Paid Date	Sequence	Customer Data	Bank #	Original R/T Number	GL Category			
4/20/2007	2210183260	20070413 MARICOPA	601	601				
CD Valid/CIMS Key	CD Label	Process Control						
20070430337201	20070430337201							

Pima Sewer 100,889.24

Pima Water 55,245.56

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

PIMA UTILITY COMPANY-WATER DIVISION

9532 E Riggs Rd
Sun Lakes, AZ 85248-7411

Pay

ONE HUNDRED TWENTY NINE THOUSAND FIVE HUNDRED TWENTY SEVEN AND 08/100 *****

Dollars

To
The
Order
Of

MARICOPA COUNTY TREASURER
301 W JEFFERSON ST
PHOENIX AZ 85003-2143

Date	Amount
10/19/07	\$***129,527.08

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

11314055 1122100024: 0919 4278

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[illegible]

Location	Acct #	Original Acct #	Check #	Original Check #	Amount	Original Amount	Issue Date	Paid Date
CD	9194278	9194278	314055	314055	\$129,527.08	\$129,527.08	10/19/2007	10/24/2007
Original Paid Date	Sequence				Customer Data	Bank #	Original R/T Number	GL Category
10/24/2007	6310030582	20071019	MARICOPA			601		601
CD Void/CIMS Key	CD Label	Process Control						
20071031136901	20071031136901							

Pima Sewer	83,145.41
Pima Water	46,381.67

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

MAY 16 2008

AZ CORP COMM
Director Utilities

VERIFICATIONSTATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Pima Utility Company - Sewer Division</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

7
SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

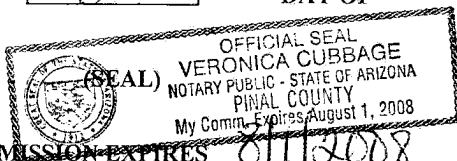
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

COUNTY NAME	<u>Pinal</u>
MONTH	<u>May</u> , <u>2008</u>

MY COMMISSION EXPIRES 8/1/2008

Veronica Cubbage
SIGNATURE OF NOTARY PUBLIC

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

MAY 15 2008

42 CORP COMM
Director Utilities

VERIFICATIONSTATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L Paulos - General Manager</u>
COMPANY NAME	<u>Pima Utility Company - Sewer Division</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,860,885

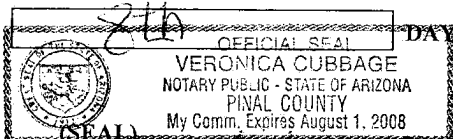
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 11,664
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

MY COMMISSION EXPIRES 8/1/2008

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

COUNTY NAME

Pinal

MONTH

May, 2008Veronica Cubbage

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>James L. Poulos</u>	TITLE <u>General Manager</u>
COMPANY NAME <u>Pima Utility Company - Sewer Division</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,552,783

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X [Signature]
SIGNATURE OF OWNER OR OFFICIAL
(480) 895-9200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

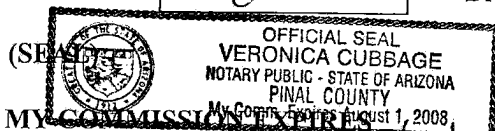
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME <u>Pinal</u>	
MONTH <u>May</u>	YEAR <u>2008</u>



MY COMMISSION EXPIRES

8/1/2008

X Veronica Cabbage
SIGNATURE OF NOTARY PUBLIC